



HOUSING NEEDS IN WEST PRINCE, 2031

Develop West Prince Housing Needs Capacity Building

Prepared by:
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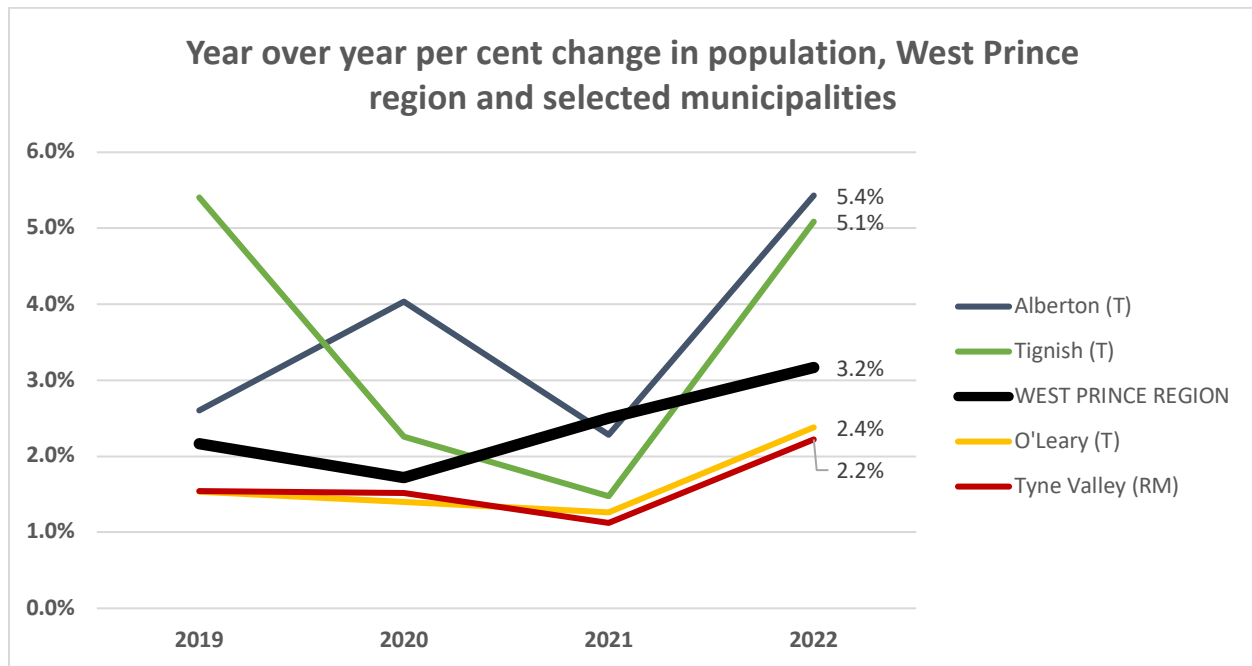
Research and Analysis:
MATT PELLETIER

Housing Needs in West Prince, 2031

A compilation of household formation projections prepared for Develop West Prince
Research and Analysis by Matthew Pelletier

1. Summary

After years of stagnant or negative population growth, West Prince is beginning to see a resurgence as the region becomes a destination for migrants from abroad. Among the census subdivisions (CSDs) of which West Prince is composed, the region grew collectively by 3% last year alone.¹ Significant growth occurred in Alberton and Tignish in particular.



But to accommodate this growth, the region must have sufficient housing stock to meet the needs of new and incumbent residents alike. The first step to accomplishing this task is to determine how much new housing must be built over a multi-year period.

This report forecasts the anticipated dwelling stock required to meet the 2031 housing supply needs of both **the West Prince region** and four of its major municipalities: **the Town of Alberton, the Town of O'Leary, the Town of Tignish, and the Rural Municipality of Tyne Valley**. To predict population and household formation at the regional and local levels, this report uses a combination of Statistics Canada and PEI government data. In particular, this report relies on yearly population estimates for Prince County, long-term population forecasts for

¹ Due to an absence of updated CSD boundaries for year-over-year municipal population estimates, this figure relies on **2016 CSD boundaries** to derive population growth rates. For this figure only, the West Prince region consists of Alberton, O'Leary, Miminegash, St. Louis, Tyne Valley, Tignish, and all other communities within Lots 1 to 13. Forecast data used in this report hereafter are derived from 2021 boundaries.

the province, and 2016-21 census data on population, private dwellings, and household maintainers.

Across the region, the number of new households being formed is outpacing the number of new homes being built. As a result, structural housing shortages are being amassed which must be addressed as part of long-term housing strategy development. Based on the trends observed in private dwelling stock totals, neither the region nor any of the studied municipalities are building enough homes to keep up with growth, let alone get ahead of it.

Between 2016 and 2021, West Prince only increased its total private dwellings by 22 net new units a year. **By 2031 the region should be aiming to increase its housing stock by a net 214 to 305 net new units a year**, depending on the level of ambition.

Annual dwelling stock scenario:	Region of West Prince ²	Alberton (T)	O'Leary (T)	Tignish (T)	Tyne Valley (RM)
Structural housing shortage (household formations estimate minus net change in total private dwellings, 2016-2021)	355	11	18	2	12
Current trend (annualized change in 2016-21 census dwelling stock)	22	8	3	7	-1
Net new dwellings needed to keep up with growth by 2031	214	18	15	16	2
Net new dwellings needed to keep up with growth, and address structural shortage by 2031	249	20	17	16	3
Net new dwellings needed to match PEI's headship when higher while closing structural shortage by 2031	305	29	23	19	8

The next section explains the methodological approach taken to create these forecasts. Following the methodology overview, this report provides a summary of the forecasts for four of the region's major municipalities. This report then provides some reflections on limitations and areas of future research and analysis, before offering some concluding remarks.

² The **2021 boundary CSDs** used to account for the West Prince region are: Alberton (fire district), Alberton (T), Central Prince (RM), Greenmount-Montrose (RM), Lot 11 and area (RM), Miminegash (fire district) Miminegash (RM), Northport (RM), O'Leary (fire district), O'Leary (T), St. Felix (RM), St. Louis (RM), Tignish (fire district), Tignish Shore (RM), Tignish (T), Tyne Valley (fire district), Tyne Valley (RM), and West Point (fire district)

2. Methodology and Region-Wide Profile

Each profile was created using four main factors:

1. 2021 Census population and dwelling counts for the given community (to establish a 2021 reference point)
2. 2021 Census primary household maintainer data in the given community (to establish household formation rates, segmented by age cohort).
3. The population of the given community as a proportion of Prince County's yearly population estimates (to calculate structural housing shortages)
4. The population of the given community as a proportion of PEI's 2021 Census population (used to forecast the community's 2031 population relative to the PEI government's long-term population projections).

To demonstrate how this methodology obtains 2031 forecasts, the broader West Prince region is used as a case study.

2.1 Population and Dwelling Counts

Using the population and dwelling count data that can be found in the attached **West Prince – Region** dataset, we can determine that the West Prince region had a population of approximately 14,530 residents at the time of the 2021 Census and that the region has historically accounted for around 10% of the provincial population and 32% of the county population.

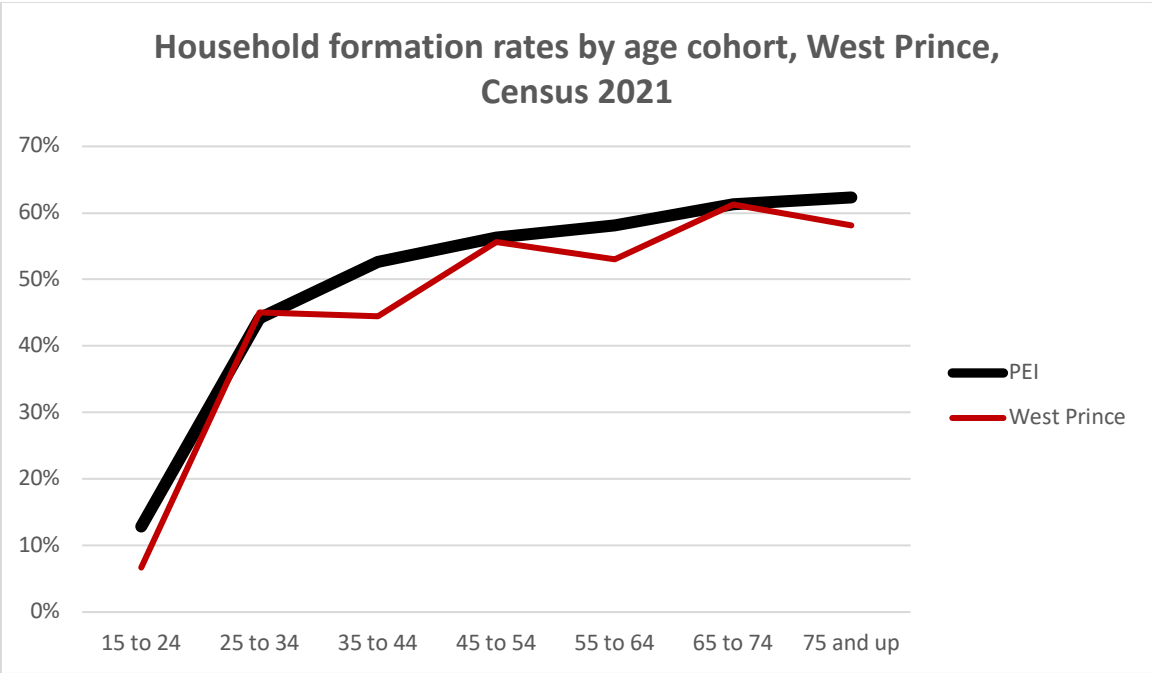
Age cohort	2016 Census	2021 Census	Share of PEI population (2016-21 census average)	Share of Prince County population (2016-21 census average)
All age cohorts	14,140	14,530	9.7%	32.2%
0 to 14	2,285	2,250	9.8%	32.7%
15 to 24	1,630	1,570	8.8%	33.0%
25 to 34	1,305	1,520	8.4%	31.3%
35 to 44	1,620	1,630	9.3%	32.0%
45 to 54	2,010	1,880	9.7%	30.9%
55 to 64	2,300	2,290	10.2%	32.6%
65 to 74	1,775	2,065	10.6%	33.1%
75 and up	1,215	1,325	10.5%	31.2%
<i>Total private dwellings</i>	<i>6,992</i>	<i>7,100</i>		

2.2 Household Maintainers and Formation Rates

To predict how population growth translates into housing demand, we must first determine how household formation changes between age cohorts. The **rate of household formation** is calculated by dividing the number of primary household maintainers (formerly referred to as heads of households) by the number of residents aged 15 and up. Data for both of these variables can be found through the 2021 Census of Population and the attached datasets. As the table below demonstrates, West Prince's household formation rate increases among older age cohorts. This trend is observed across most of the country as well.

Age cohort	Number of primary household maintainers, 2021 Census	Household formation rate (maintainers as a share of the 2021 census population)
All maintainers	5,810	47.3%
15 to 24	105	6.7%
25 to 34	685	45.1%
35 to 44	725	44.5%
45 to 54	1,045	55.6%
55 to 64	1,215	53.1%
65 to 74	1,265	61.3%
75 and up	770	58.1%

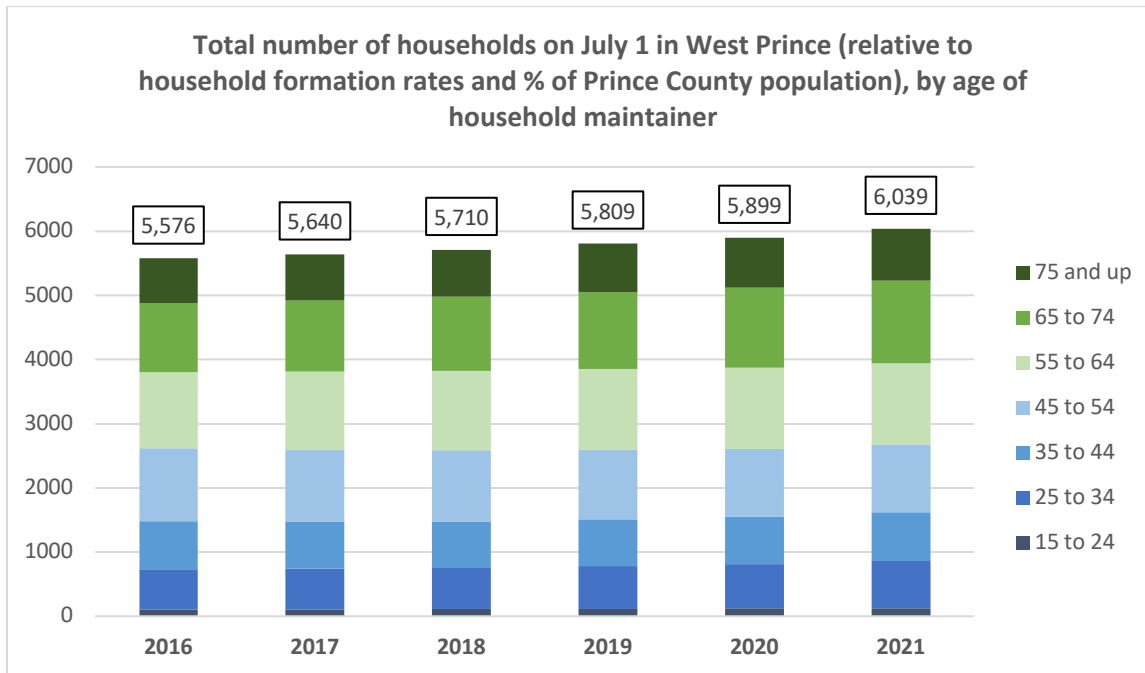
West Prince’s overall rate of household formation is 47.3%, indicating that fewer than half of all residents aged 15 and older maintain independent households. This rate is lower than the rest of PEI (49.4%), suggesting it is comparatively difficult for the region’s residents to form their own independent households. However, the rate varies significantly across different age cohorts. Among some cohorts, the West Prince and PEI rates are similar. However, the household formation rate among residents aged 15 to 24 is half the rate observed across the province. This suggests that household formation is suppressed in parts of West Prince, especially for younger residents looking to own or rent independently from their parents. While suppressed household formation can occasionally be attributed to cultural practices, it is generally the result of persistent shortages in attainable housing.



2.3 Structural Housing Shortage

By combining the region’s share of the county population with the headship rates established in the two preceding subsections, it is possible to determine the number of households that have been formed between 2016 and 2021 relative to Prince County’s yearly population estimates.

Annual population estimates offer a more local and precise approximation of year-over-year household formation in a region.



Between 2016 and 2021, a net 463 new households formed in West Prince while the number of private dwellings only increased by a net total of 108 units (or 22 net new units a year). By subtracting these two figures, it is possible to estimate the region’s immediate structural housing shortage to be approximately **355 dwelling units**.

2.4 Household Needs in 2031

PEI’s population is expected to grow by 31% between 2021 and 2031. West Prince has historically accounted for nearly 10% of the provincial population, suggesting that the region could have a population that exceeds 22,500 by 2031.

A recent CBC PEI piece notes that the provincial government’s new population forecast has already **significantly undercounted** the Island’s population for 2023. As stated previously, Prince County has seen unprecedented growth since the 2021 Census. As a result, any long-term forecasts in this report should be interpreted as **conservative estimates** of West Prince’s growth.

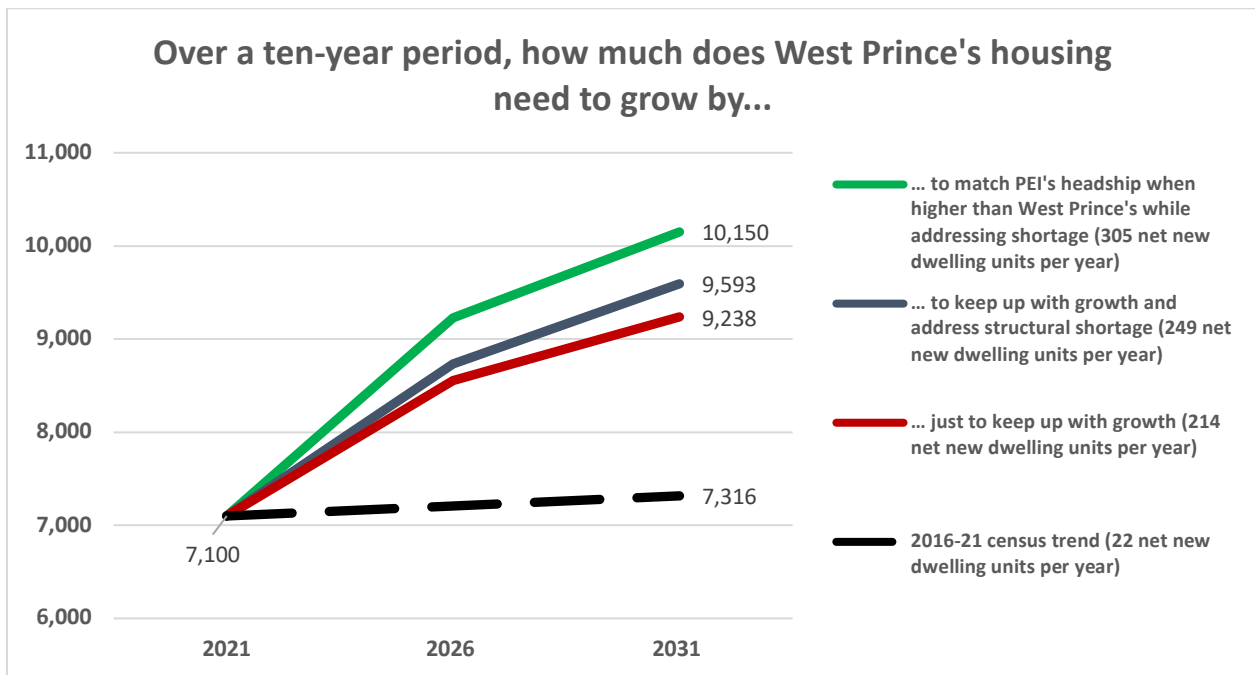
By combining the region’s 2021 household formation rates with the province’s 2031 population predictions, it is possible to forecast the number of new households that will be formed over ten years. By factoring in the structural housing shortage and higher formation rate benchmarks, three housing stock scenarios can be created to establish a range for homebuilding targets.

- 1. Minimum to keep up with growth:** To calculate the number of households expected to be situated in a given community in 2031, the forecasted number of residents must be multiplied by the corresponding household formation rates from the 2021 Census of Population. The delta between the 2031 and 2021 amounts represents the net change in housing stock required in the region over 10 years. For the most accurate estimates, it is recommended that these calculations be conducted across age cohorts rather than in a

single lump sum count. Dividing the total by ten years provides *the absolute minimum* net total that should be built each year, without accounting for the existing structural housing shortage. In the case of West Prince, this total is 2,138 units over 10 years or 214 net new units per year.

2. **Keeping up with growth and addressing the structural shortage:** The approach taken in the minimal scenario is repeated, however, the total number of units (2,138) is combined with the previously established structural housing shortage (355) before being divided over 10 years. In the case of West Prince, this total is 2,493 units over 10 years or 249 net new units per year.
3. **Aiming higher and addressing the structural shortage.** The approach taken in the previous step is repeated; however, the provincial household formation rate for a given cohort is used instead when higher than that of the given community. This represents the most ambitious scenario because it attempts to both eliminate the structural shortage and increase the overall rate of household formation among suppressed groups. In the case of West Prince, this forecast is 2,695 units plus the structural housing shortage of 355 units to get a total of 3,050 units over 10 years or 305 net new units per year.

These forecasts can be graphed relative to the 2021 total private dwelling stock, with an additional forecast of dwelling stock growth based on the trend from the 2016-2021 census period.

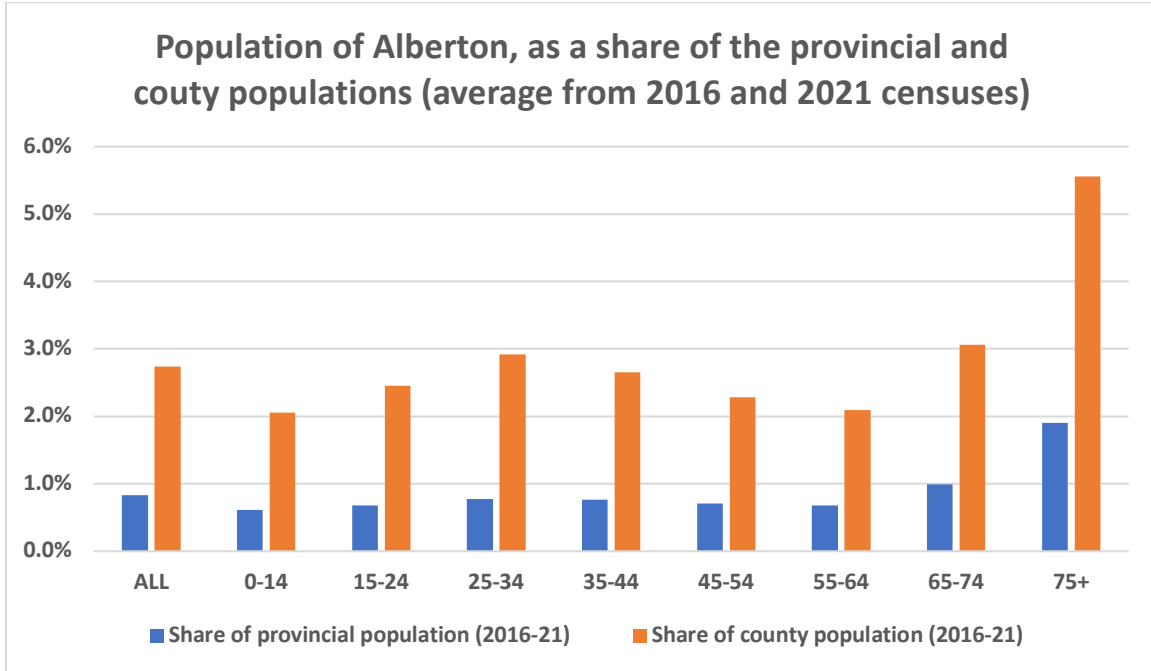


As is demonstrated in the following local profiles, the dwelling stock trends from the past census period suggest that communities in West Prince will experience worsening shortages over the coming years. Inaction poses significant demographic, economic, and political ramifications for these individual communities, the region, and the rest of Prince Edward Island.

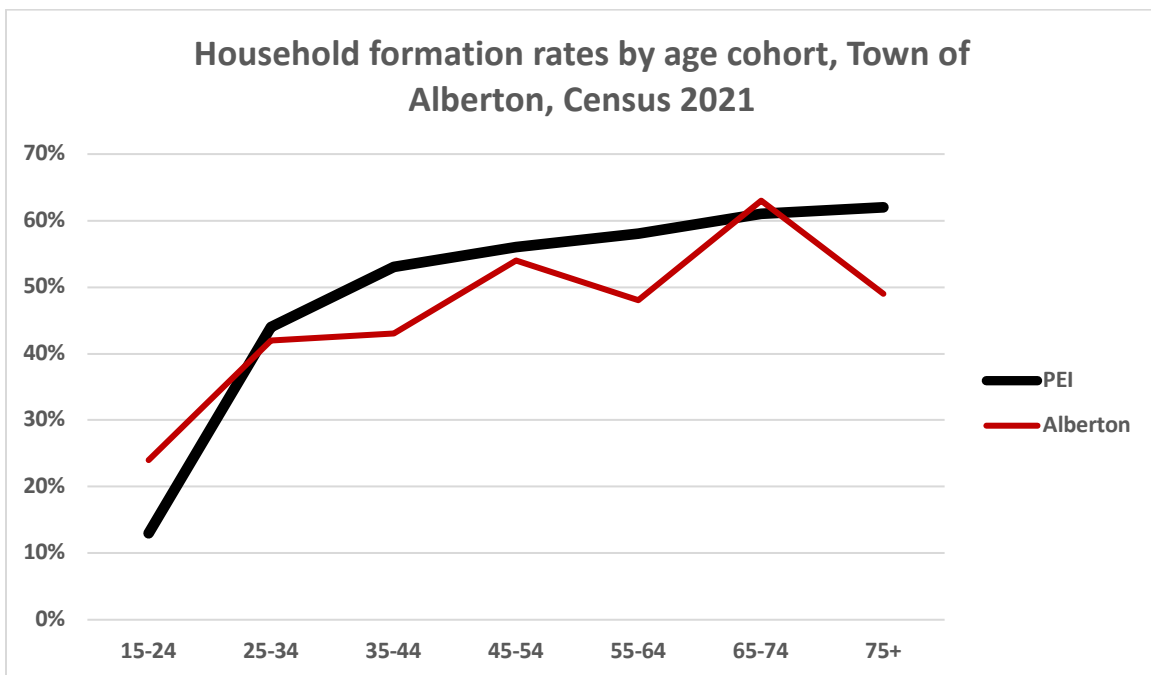
3. Local profiles

3.1 Town of Alberton

The town of Alberton has historically accounted for 0.8% of the provincial population and 2.7% of the county population.

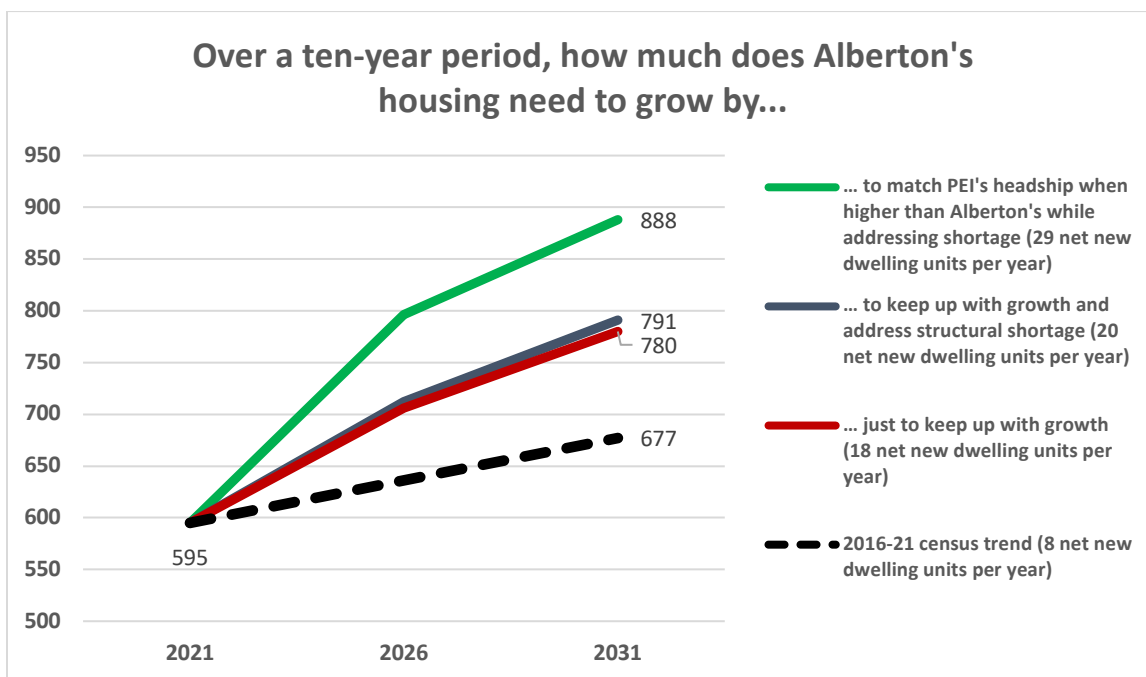


Compared to the province, Alberton has a lower overall rate of household formation. The Town's rate remains lower than the province's for all age cohorts, except among 15-24 and 65-74 year olds.



By applying the Town's household formation rate and share of the county population to Prince County's annual population data, it is estimated that the Town formed a net new 52 households between 2016 and 2021. Between the 2016 and 2021 censuses, only 41 net new dwellings were added to the Town's private dwelling stock. This means that the structural housing shortage amassed over this period is calculated to be 11 dwelling units.

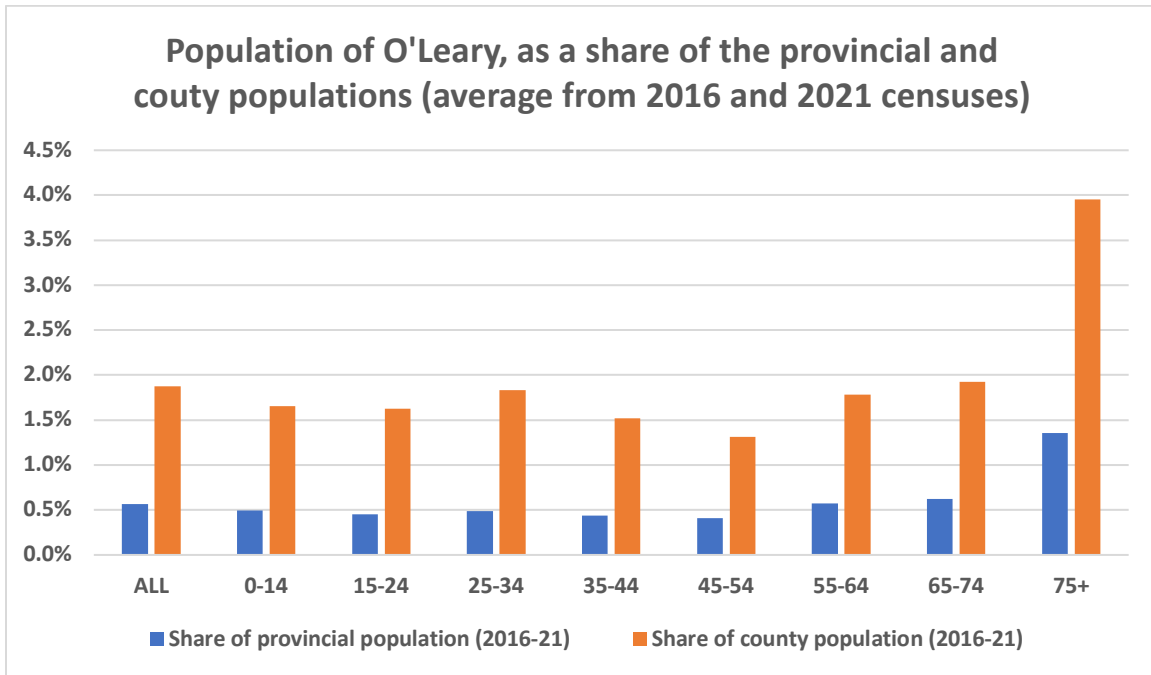
By applying the town's household formation rate and share of the provincial population to the province's 2031 population projection, it is estimated that Alberton's population will grow by more than 400 residents over 10 years. For the current rate of household formation to be maintained, the Town will need to see its housing stock grow by around 185 net new units over ten years (**18 net new units a year**) at a minimum. To maintain the current rate and address the 11-unit structural housing shortage, the Town's housing stock will need to grow by 196 net new units (**20 net new units a year**). But to address the structural housing shortage and have each age cohort's household formation rate increase to match that of the province when higher, the housing stock will need to increase by a net 293 units (**29 net new units a year**). Based on the trend between the 2016 and 2021 census periods, the Town is likely only building **8 net new units a year** – less than half of the yearly output required just to keep up with growth.



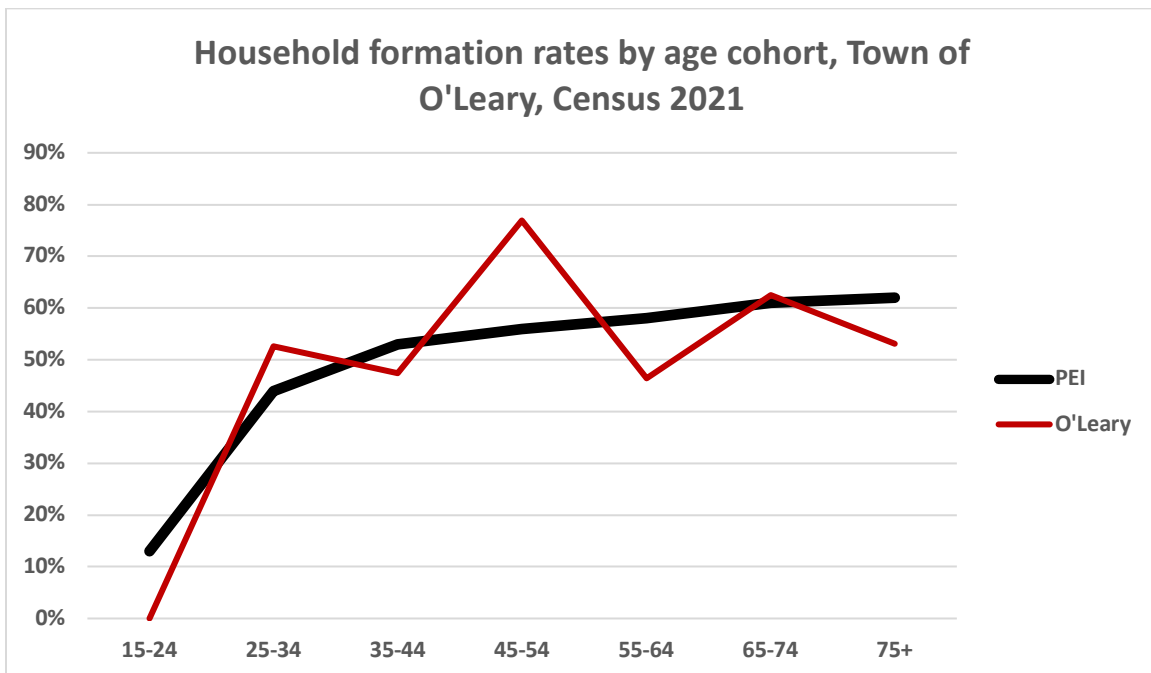
Alberton's structural housing shortage is small in comparison to those observed in other parts of the region, but the Town faces several unique challenges which could make the housing crisis more acute. For example, renters make up over 61% of the Town's households – a higher share than any other municipality on PEI, and even higher than most big Canadian cities. Over 31% of Alberton's renters spend more than a third of their income on shelter costs, which is high for PEI. The Town also grew by over 5% between 2021 and 2022, highlighting the need for housing targets that likely exceed provincial estimate benchmarks.

3.2 Town of O'Leary

The Town of O'Leary has historically accounted for 0.6% of the provincial population and 1.9% of the county population.

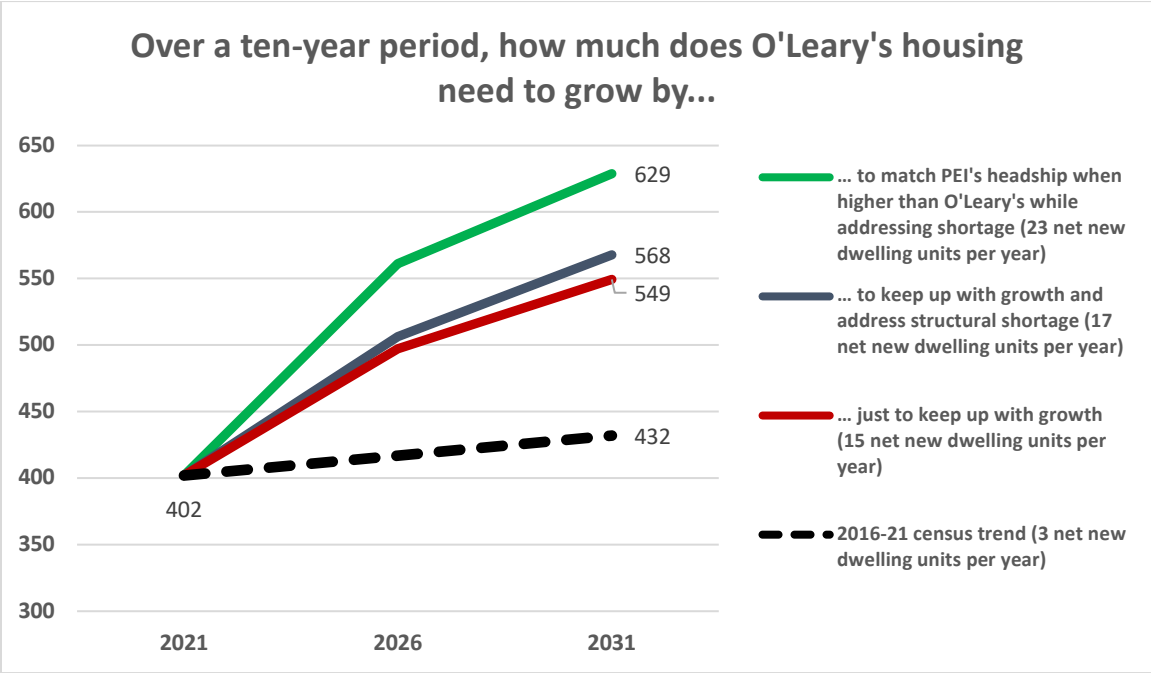


Compared to the province, O'Leary has a lower overall rate of household formation. The Town's rate remains lower than the province's for all age cohorts, except for 15-24 and 45-54 year-olds. The latter of those two cohorts has a formation rate exceeding 75%.



By applying the Town's household formation rate and share of the county population to Prince County's annual population estimates, it is estimated that the Town formed a net new 33 households between 2016 and 2021. Between the 2016 and 2021 censuses, only 15 net new dwellings were added to the Town's private dwelling stock. This means that the structural housing shortage amassed over this period is calculated to be 18 dwelling units.

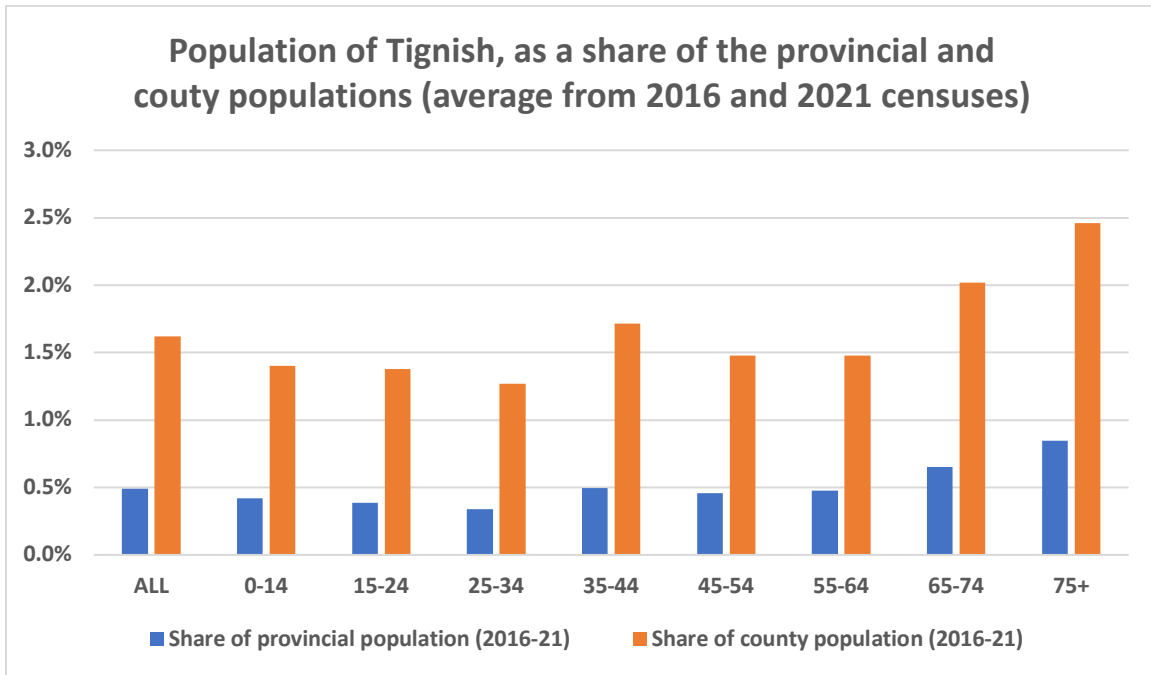
By applying the town's household formation rate and share of the provincial population to the province's 2031 population projection, it is estimated that O'Leary's population will grow by more than 300 residents over 10 years. For the current rate of household formation to be maintained, the Town will need to see its housing stock grow by around 147 net new units over ten years (**15 net new units a year**) at a minimum. To maintain the current rate and address the 18-unit structural housing shortage, the Town's housing stock will need to grow by 166 net new units (**17 net new units a year**). But to address the structural housing shortage and have each age cohort's household formation rate increase to match that of the province when higher, the housing stock will need to increase by a net 227 units (**23 net new units a year**). Based on the trend between the 2016 and 2021 census periods, the Town is likely only building **3 net new units a year** – only around a fifth of the yearly output required just to keep up with growth.



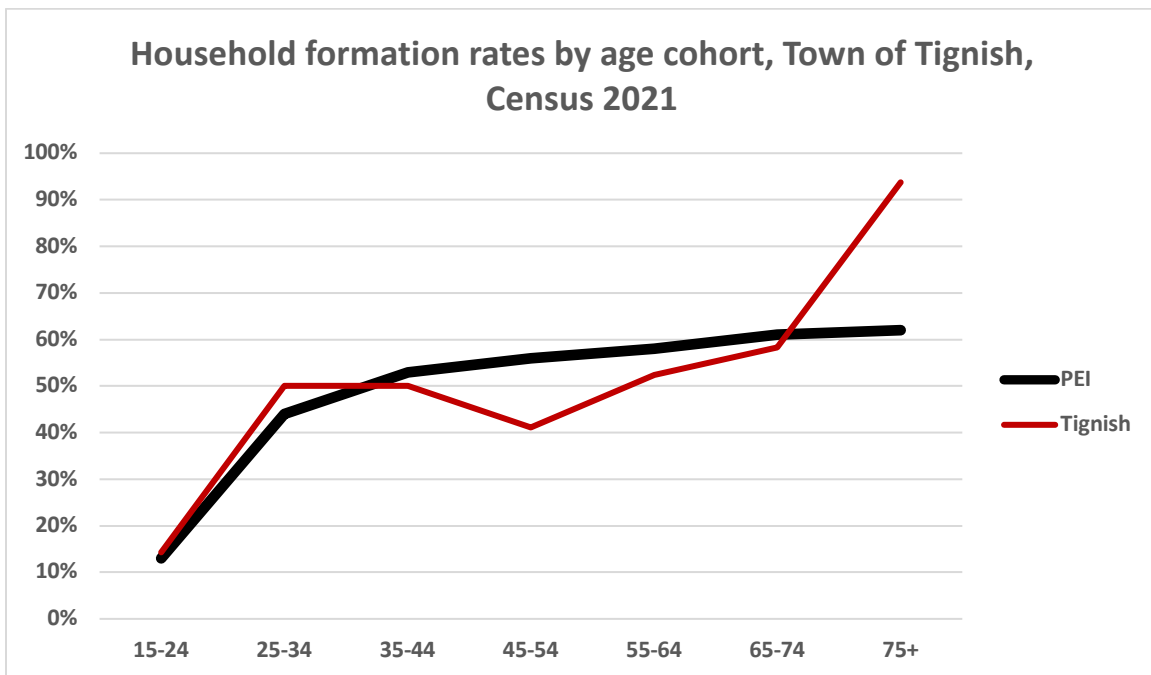
In addition to having a somewhat acute structural housing shortage, the Town faces several unique challenges which could make the housing crisis more severe in the coming years. O'Leary has one of the lowest median household incomes on PEI and one of the highest shares of households which rent rather than own their home. Moreover, the town also has one of the **highest shares** of renters living in subsidized housing. As such, the town's housing crisis could be exacerbated by the province's low rental vacancy rate of 0.9%.

3.3 Town of Tignish

The Town of Tignish has historically accounted for 0.5% of the provincial population and 1.6% of the county population.

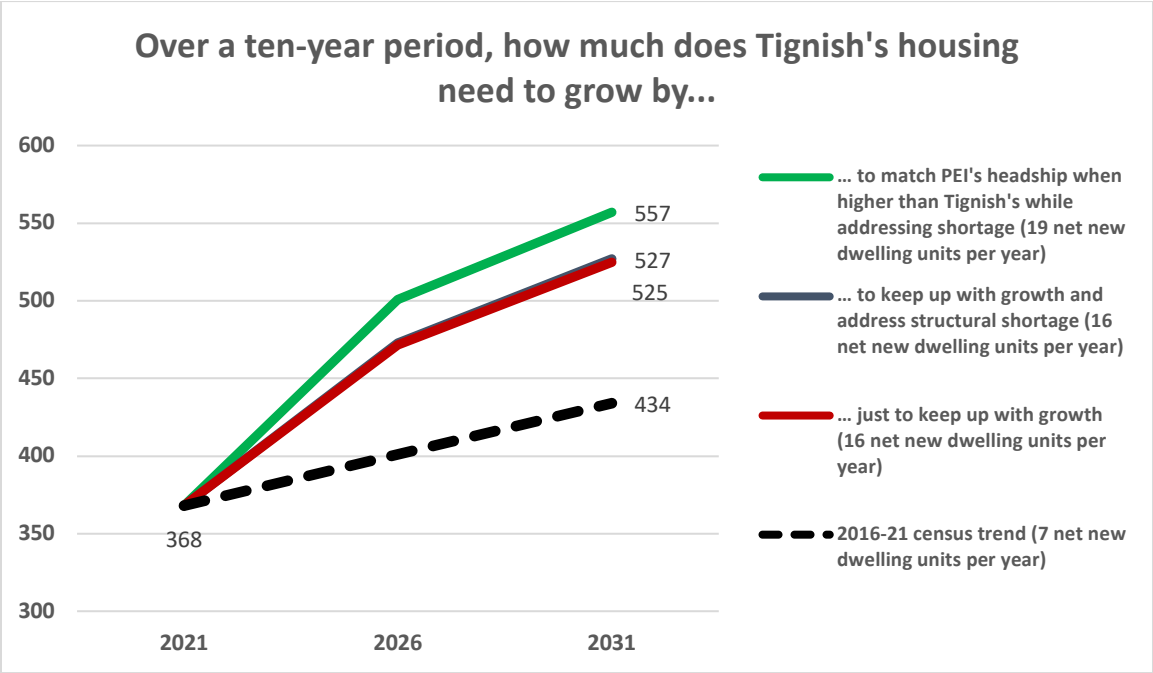


Unlike most communities in West Prince, Tignish has a comparatively high overall rate of household formation, driven almost entirely by a near-perfect rate among residents aged 75 years and older (94%). However, among middle-aged residents, household formation in Tignish remains low compared to the rest of the province.



By applying the Town's household formation rate and share of the county population to Prince County's annual population estimates, it is estimated that the Town formed a net new 35 households between 2016 and 2021. Between the 2016 and 2021 censuses, 33 net new dwellings were added to the Town's private dwelling stock. This means that the structural housing shortage amassed over this period is calculated to be only 2 dwelling units.

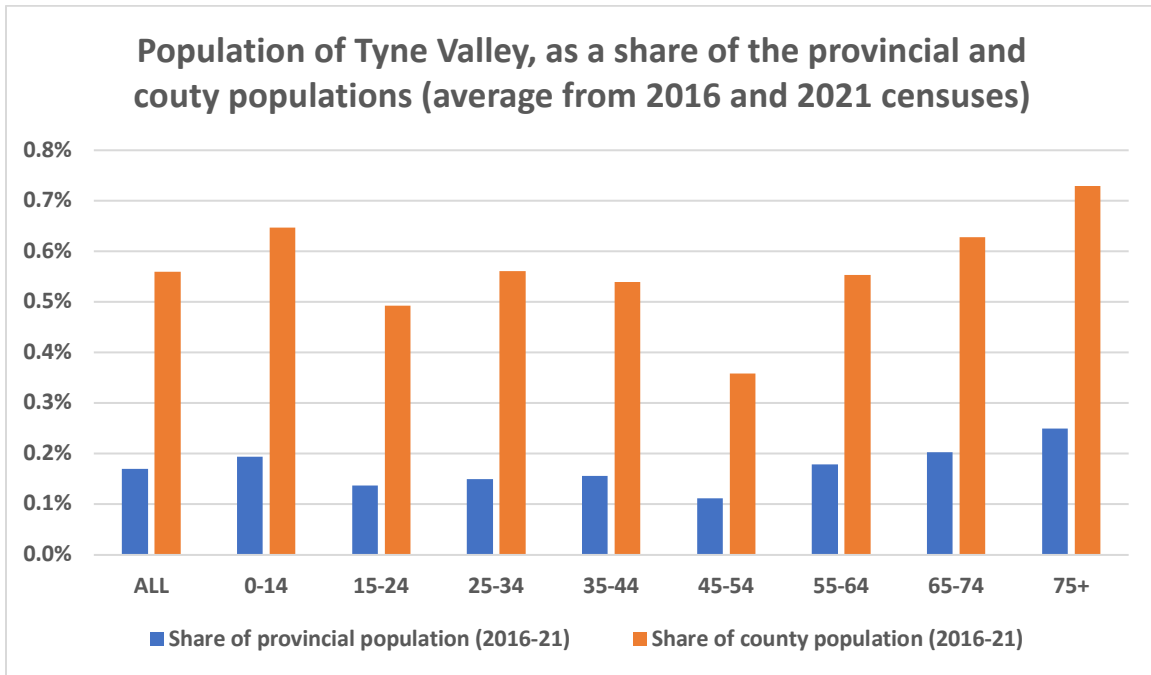
By applying the town's household formation rate and share of the provincial population to the province's 2031 population projection, it is estimated that Tignish's population will grow by more than 260 residents over 10 years. For the current rate of household formation to be maintained, the Town will need to see its housing stock grow by around 157 net new units over ten years (**16 net new units a year**) at a minimum. To maintain the current rate and address the 2-unit structural housing shortage, the Town's housing stock will need to grow by 159 net new units (**16 net new units a year**). But to address the structural housing shortage and have each age cohort's household formation rate increase to match that of the province when higher, the housing stock will need to increase by a net 189 units (**19 net new units a year**). Based on the trend between the 2016 and 2021 census periods, the Town is likely only building **7 net new units a year** – only around half of the yearly output required just to keep up with growth.



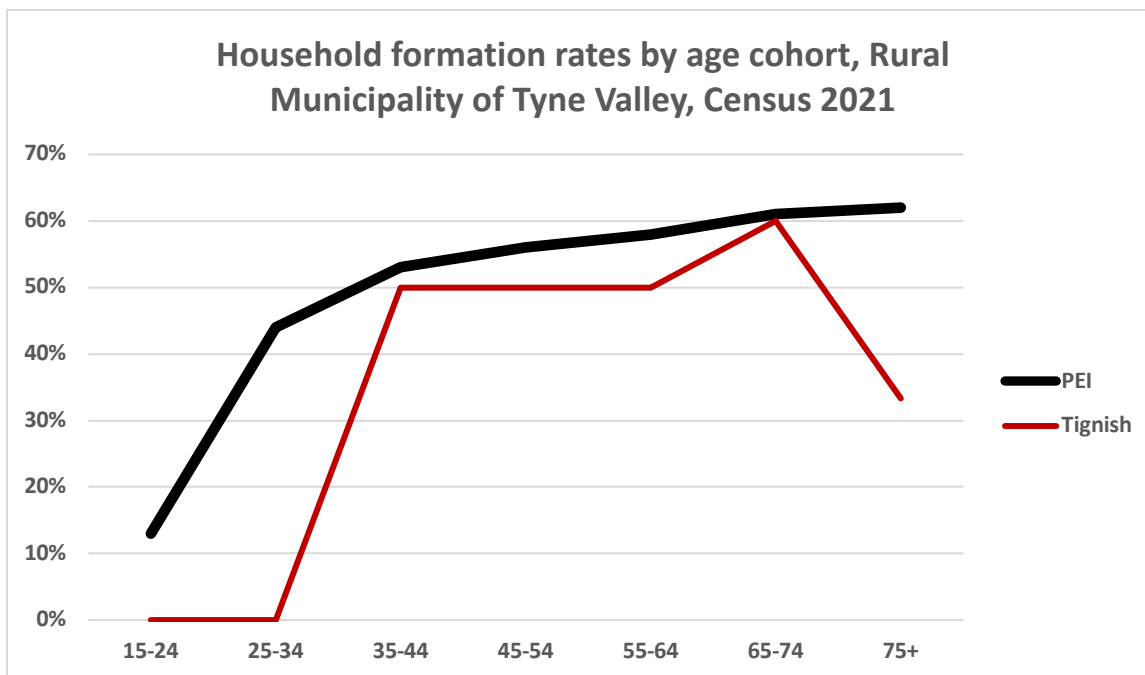
The structural housing shortage in Tignish is the smallest of the four municipalities studied in this report, but the output trend from 2016 to 2021 is insufficient for the town's long-term housing needs. Tignish grew by a staggering 5.1% last year, mostly from international migration pathways. Given the need to support high household formation among seniors while ensuring that new families (in particular, younger and middle-aged parents) are sufficiently housed, considerations will be made for options across the housing continuum to address a variety of shelter needs.

3.4 Rural Municipality of Tyne Valley

The Rural Municipality of Tyne Valley has historically accounted for 0.2% of the provincial population and 0.6% of the county population.



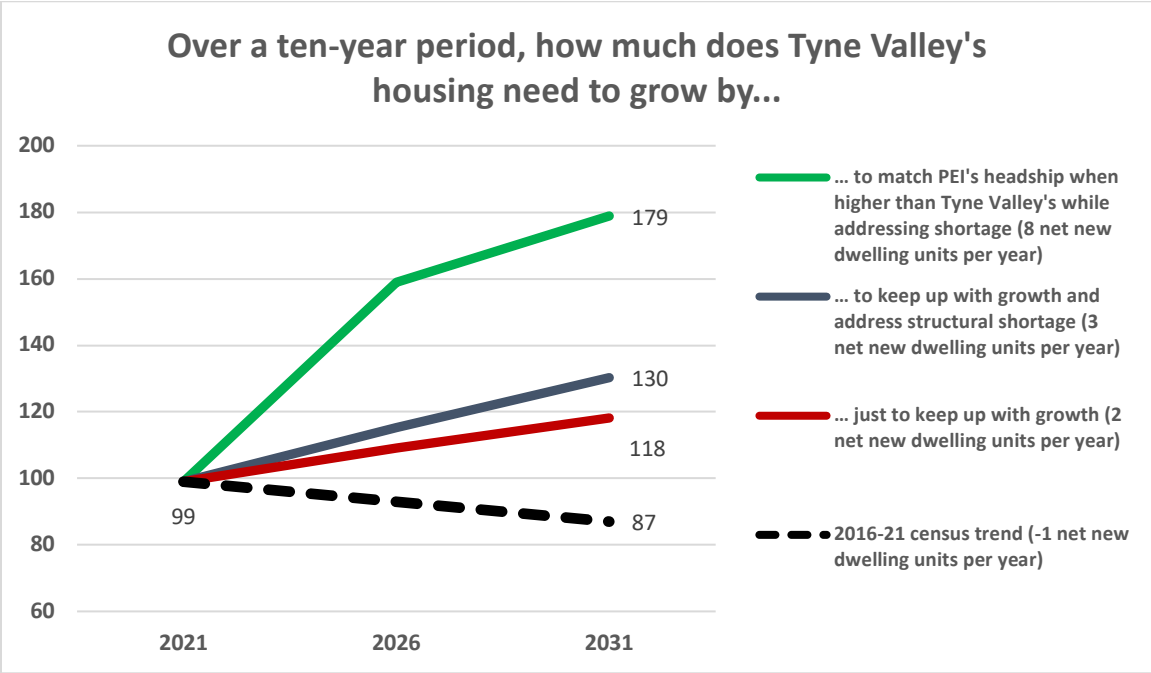
Compared to the province, Tyne Valley has a lower overall rate of household formation. The RM's rate remains lower than the province's for all age cohorts and is 0% among young adults.



By applying the Rural Municipality's household formation rate and share of the county population to Prince County's annual population estimates, it is estimated that the Rural

Municipality formed a net new 6 households between 2016 and 2021. Between the 2016 and 2021 censuses, the Rural Municipality's private dwelling stock fell by 6 units. This means that the structural housing shortage amassed over this period is calculated to be 12 dwelling units.

By applying the RM's household formation rate and share of the provincial population to the province's 2031 population projection, it is estimated that Tyne Valley's population will grow by more than 96 residents over 10 years. For the current rate of household formation to be maintained, the RM will need to see its housing stock grow by around 19 net new units over ten years (**2 net new units a year**) at a minimum. To maintain the current rate and address the 12-unit structural housing shortage, the RM's housing stock will need to grow by 31 net new units (**3 net new units a year**). But to address the structural housing shortage and have each age cohort's household formation rate increase to match that of the province when higher, the housing stock will need to increase by a net 80 units (**8 net new units a year**). Based on the trend between the 2016 and 2021 census periods, **Tyne Valley's housing stock is forecasted to fall** in the coming years.



Despite being the smallest of the four communities studied, Tyne Valley has one of the most acute housing shortages. The declining housing stock is likely to worsen the municipality's housing shortage as future growth is anticipated. The small overall population of the RM makes it difficult to find disaggregated data on core housing needs, especially among renters; however, Tyne Valley appears to have one of the highest proportions of households spending more than 30% of income on running shelter costs.

4. Limitations and Future Research

There were several data limitations which may impact the validity of predictions.

1. The Canada Mortgage and Housing Corporation (CMHC) offers limited data on housing starts and completions outside of the Charlottetown and Summerside areas, meaning that this report had to rely on retroactive census trends rather than forecasts based on recent housing output. It is possible that a place like Tyne Valley saw its dwelling stock stabilize or increase since 2021, but that will only be reflected in 2026 census data.
2. Similarly, there are limited data on demolitions, meaning that a housing start may not count as a net addition to housing stock if a unit in the same community is getting knocked down elsewhere. Statistics Canada's building permit covers this to some extent, but it is not at the local level.
3. The small overall sizes of each of the communities studied meant that census population and household maintainer figures may have been truncated or rounded to protect confidentiality. However, as this could result in figures being either rounded up or down, it is likely to only have a negligible effect on housing output.
4. This study only looked at the municipal-level data for the four given communities. In reality, each of these communities has several surrounding unincorporated settlements which are grouped as a single "fire district" CSD by Statistics Canada. These fire district CSDs are often larger or faster-growing than the town at their centre, but the scope of this report was limited to the four municipalities where growth should be targeted for economic and environmental reasons. Moreover, the only communities with full municipal planning authority in the region are the towns of Alberton, Tignish, and O'Leary. Less than a fifth of the region's population lives in these three municipalities, with the overwhelming majority of West Prince residents living in either unincorporated communities or municipalities with no planning authority.
5. The year-over-year growth rate for West Prince in Section 1 relies on 2016 CSD boundaries. Population estimates along 2021 boundaries will be publicly available upon completion of Statistics Canada's census coverage study. These data are likely to be published around the same time as age-based data for PEI's counties and urban areas (late 2023 or early 2024), which will allow for a more current and precise look at West Prince's household formation patterns.

Future research could explore one of two potential options.

1. To account for housing and population data across the four municipalities and their fire districts, there is an opportunity to consider **using consolidated census subdivisions (CCSs) instead of CSDs**. CCS areas are created by combining "more densely populated census subdivisions (towns, villages, etc.) ... with the surrounding, larger, more rural census subdivision, in order to create a geographic level between the census subdivision and the census division."³ While less common than census divisions and subdivisions, CCSs may offer a proxy for understanding regions which encompass both small towns and their surrounding fire districts.
2. Taking a deeper dive into **core housing need (CHN)** can help provide policymakers in the region with a better understanding of the existing issues relating to affordability

³ Statistics Canada ([November 17, 2021](#)). Census Consolidated Subdivision (CCS) – Dictionary, Census of Population, 2021.

(spending less than 30% of income on shelter), suitability (living in housing that has enough rooms for the number of occupants), and adequacy (requiring only minor/routine maintenance) of existing dwelling options.⁴ Although measures of CHN do not account for suppressed/unformed households, they could still provide indicators for the amount of social housing needed to support lower-income residents.

5. Concluding Remarks

West Prince currently has more dwellings per capita than the rest of PEI, but signs of shortages are beginning to emerge. The region has a comparatively high number of tenants, with 60% of households in Alberton and O'Leary renting rather than owning their dwelling. The gap between West Prince's housing needs and projected housing stock growth is expected to widen unless homebuilding keeps up with demand.

The exacerbation of this crisis will lead to more **suppressed household formation** - a phenomenon whereby individuals (especially young adults) continue to delay starting an independent household due to a lack of attainable housing options. Suppressed household formation could have significant economic, demographic, and political ramifications for West Prince. For example:

- Aspiring homeowners forego buying homes due to a shortage of affordable options for purchase. They instead reside with roommates or continue to live with their parents. While Statistics Canada does not track these data outside of urban areas, it is possible to use the trend observed in Summerside as an example, where **the share of young adults living with parents or roommates grew more in five years** than it did anywhere else in the country.
- Young adult couples may end up delaying the formation of their own families, which could pose long-term demographic issues for both West Prince and the rest of PEI. In 2022, PEI's fertility rate fell to a historic low of **1.22 births per female** – a scenario not anticipated by PEI's long-term population forecasts. While fertility is contingent on several factors, housing shortages will likely continue to keep births low across the province.
- Tenants and low-income families are crowded out from renter markets as higher-income households compete with incumbents for scarce rental options. West Prince's median household income is among the lowest in the province – a lack of new supply could make competition over scarce rentals a highly visible issue.
- West Prince loses its appeal to newcomers due to chronic housing shortages, and skilled workers become more likely to move to more affordable jurisdictions. This results in increased outmigration to other parts of PEI or beyond. Observations of housing shortages in the **City of Vancouver** link an undersupply of dwellings to a decline in the number of children. West Prince has an opportunity to learn from the demographic crunches being experienced in high-cost urban centres.

To mitigate the suppression of households, an adequate housing supply is needed. However, unlocking new supply requires consideration of issues of sustainability, labour constraints, local governance, and land use policy. Prince Edward Island lost nearly 40 acres of agricultural land per day between 2016 and 2021, and more than 10% of the Island's development takes place

⁴ Canada Mortgage and Housing Corporation (**August 14, 2019**). Understanding Core Housing Need.

outside of the boundaries of municipalities with full planning authority. A lack of emphasis on upward development in towns with full planning authority risks pushing new and incumbent residents alike out into areas that lack planned services and public infrastructure. When CSD estimates along 2021 census boundaries are available, it will likely demonstrate significant population growth within the fire district CSDs which surround the four major towns – highlighting growth pressure being placed on unincorporated communities in the absence of options within population and employment centres.

West Prince finds itself in a rare moment where healthy year-over-year population growth is revitalizing previously declining communities and making the overall population younger. But as the region grows, the dwelling stock must keep up and surpass the number of households formed – and do so in a more sustainable pattern of infill development. Otherwise, suppression will return the region to a state of either demographic or ecological decline.

To *maintain* affordability, West Prince should aim to increase its housing stock by at least 214 net new units each year so that the household formation rate observed in 2021 continues over the coming decade. But to *improve* affordability, the region should set an annual target of 305 net new units per year so that household formation increases among historically suppressed cohorts (e.g., young adults) and the structural housing shortage is eliminated. This will make the region far more affordable and attractive to younger residents, especially those looking to start a family in a community that is receptive to their shelter needs.

6. Sources

All data and tables for Section 2 can be found in the **West Prince – Region** file, and all data and tables for Section 3 can be found in the **West Prince – Communities** file.

All age-based population data for 2016 and 2021 were taken from Statistics Canada census data (Table [98-10-0022-01](#)).

All age-based maintainer data for 2021 were taken from Statistics Canada census data (Table [98-10-0232-01](#)).

All private dwelling totals for 2016 and 2021 were taken from Statistics Canada census data (Table [98-10-0002-01](#)).

Year-over-year population data for Prince County were taken from Statistics Canada Population estimates (Table [17-10-0139-01](#))

Long-term population forecasts for PEI were taken from the Prince Edward Island Statistics Bureau's [Population Projections 2023 – 2062](#).